



June 23, 2025

Dear Arizona Tribal Leader:

I am writing to provide an update on important developments with regard to the Purchased/Referred Care (PRC) program. The Indian Health Care Improvement Act, 25 U.S.C. § 1678(a) directs the Indian Health Service (IHS) to designate the State of Arizona as a Purchased/Referred Care Delivery Area (PRCDA) for the purpose of providing PRC services to members of Indian Tribes in the State of Arizona. However, § 1678(b) prohibits this designation from decreasing health care services to Indians residing on reservations in the State of Arizona.

The IHS first initiated Tribal Consultation on this topic on November 20, 2018, when we sought your recommendations and guidance on the implications of establishing a PRCDA for the entire State of Arizona. In 2019, a feasibility study was conducted to determine the following: a baseline number of PRC eligible individuals for each Tribe in Arizona; an estimate of the incremental increase of newly eligible individuals for each Tribe; and the additional estimated cost needed to cover the newly eligible beneficiaries if the State of Arizona were to become a state-wide PRCDA. In 2021, Tribal Consultation was initiated to provide the feasibility study results on designating the State of Arizona as a PRCDA; however, a decision was not made.

The feasibility study is now six years old, and there are likely changes in Tribal enrollment numbers, demographics, and potential funding uncertainty, which may impact PRC program balances. The IHS will re-initiate Tribal Consultation and re-engage with IHS Area Directors in the State of Arizona to seek recommendations for an updated feasibility study to determine whether an Arizona state-wide PRCDA is possible, and to identify the potential impact on PRC program funds and the ability to purchase comprehensive health care services for Indians throughout the State of Arizona.

I look forward to receiving your input and working together to address this matter. If you have any questions, please contact CDR Tracy Sanchez, Acting Director, Office of Resource Access and Partnerships, IHS, by telephone at (301) 443-3216 or by email at tracy.sanchez@ihs.gov.

Sincerely,

Phillip B.
Smith -S

Digitally signed by Phillip
B. Smith -S
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P. Benjamin Smith, M.B.A., M.A.
Acting Director